

## BOARD OF DIRECTORS

Sol Armel  
Donald Carr, Q.C.  
William Drevnig  
Albert Sherman  
Jack Sherman  
Mark Vansittart

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## OFFICERS

William Drevnig – *President*  
Albert Sherman – *Vice-President and Secretary*  
Sol Armel – *Vice-President and Treasurer*  
Jack Sherman – *Vice-President*

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## TRANSFER AGENT AND REGISTRAR

The Canada Trust Company

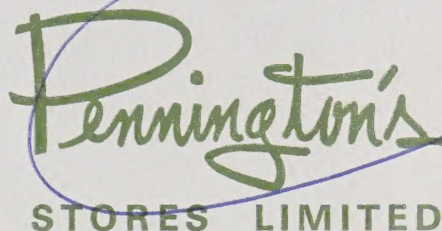
## AUDITORS

Pape, Strom, Lavine & Shulman

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## HEAD OFFICE

PENNINGTON'S STORES LIMITED  
17 Apex Road  
Toronto 390, Ontario  
Telephone: 787-4973

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STORES LIMITED

## INTERIM REPORT

for 26 weeks ended  
July 4, 1970

## To The Shareholders

We are pleased to report that sales for the 26 weeks ended July 4, 1970 increased 13.2% to \$3,357,000. Unaudited earnings after provision for income taxes increased 16.6% to 29.5¢ per share. The comparable period last year refers to the combined earnings of the individual predecessor companies from January 6, 1969 to the date of amalgamation, and earnings of the amalgamated company to July 5, 1969, an overall period of 26 weeks.

Despite general economic conditions, the above results demonstrate that your Company has increased its sales and profits and we

anticipate being able to maintain these increases in the next period.

Our new stores at Park Royal Shopping Centre (Vancouver), Midtown Plaza (Saskatoon), which opened July 30th, and Fairview Mall (Toronto), which opened August 5th, have shown encouraging results. New branches in Southgate Shopping Centre (Edmonton) and Garden City Shopping Centre (Winnipeg) are scheduled to open August 12th.

August 1970

William Drevnig  
*President*

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## Statement of Earnings

(UNAUDITED) FOR TWENTY-SIX (26) WEEKS  
ENDED JULY 4, 1970

	July 4, 1970	July 5, 1969
Sales	\$3,357,000	\$2,965,000
Earnings from operations before the following charges	\$ 648,000	\$ 498,000
Depreciation of equipment and amortization of leasehold improvements	31,000	30,000
Income Taxes	322,000	215,000
Net Earnings for the period	\$ 295,000	\$ 253,000
Net Earnings per share (1,000,000 shares outstanding)	29.5¢	25.3¢

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## Statement of Source and Application of Funds

(UNAUDITED) FOR TWENTY-SIX (26) WEEKS  
ENDED JULY 4, 1970

Funds were provided from :

Net Earnings for the period	\$ 295,000
Add: Depreciation and amortization not requiring current outlay of funds	31,000
	\$ 326,000

Funds were applied to :

Acquisition of equipment and leasehold improvements	\$ 112,000
Payment of dividend	100,000
Increase in Working Capital	\$ 114,000